

By: Ellis

S.B. No. 1833

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to liability insurance requirements for daycare  
3 facilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 42.049, of the Human Resources Code, is  
6 amended by amending Subsection (e) to read as follows:

7 Sec. 42.049. LIABILITY INSURANCE REQUIRED. (a) A license  
8 holder shall maintain liability insurance coverage in the amount of  
9 \$300,000 for each occurrence of negligence. An insurance policy or  
10 contract required under this section must cover injury to a child  
11 that occurs while the child is on the premises of the license holder  
12 or in the care of the license holder.

13 (b) A license holder shall file with the department a  
14 certificate or other evidence from an insurance company showing  
15 that the license holder has an unexpired and uncanceled insurance  
16 policy or contract that meets the requirements of this section.

17 (c) Should the license holder for financial reasons or for  
18 lack of availability of an underwriter willing to issue a policy be  
19 unable to secure the insurance required under Subsection (a) or  
20 should the policy limits be exhausted, the license holder shall  
21 notify the parent or a person standing in parental relationship to  
22 each child for whom the license holder provides care a written  
23 notice that the liability coverage is not provided and there will  
24 not be a ground for suspension or revocation of the license holder's

1 license under this chapter. The license holder shall also notify  
2 the department that the coverage is not provided and provide the  
3 reason for same. In no case shall the inability to secure coverage  
4 serve to indemnify the license holder for damages due to  
5 negligence.

6 (d) The insurance policy or contract shall be maintained at  
7 all times in an amount as required by this section. Failure by a  
8 license holder to renew the policy or contract or to maintain the  
9 policy or contract in the required amount is a ground for suspension  
10 or revocation of the license holder's license under this chapter.

11 ~~(e) This section does not apply to a group day-care home or a~~  
12 ~~listed or registered family home.~~